

Leather & Footwear

Q1 | January-March 2024 Issue

HIVE

A Quarterly Magazine of Footwear Exchange

BANGLADESH TANNERY: IT'S OKAY TO BE OPTIMISTIC



6 Leather manufacturer of Bangladesh received LWG Certified



4 Leather manufacturer of Bangladesh are SEDEX audited



8 Leather and product manufacturer are SLF audited

Editor's Note

Our Relaunch Issue

It's okay to be optimistic

Two years back, we started to publish our quarterly magazine 'Footwear Exchange Magazine', we failed to continue and learned a lot from that experience. This time, we started again with- a new name 'Leather & Footwear HIVE' and hope that we remain consistent in providing you with compelling content, new trends, and thought-provoking topics.

'Leather & Footwear HIVE', is a publication for everyone interested in the world of leather, footwear, leather goods, accessories, chemical, and allied industries. The objectives of this magazine are to develop a positive image of Leather, Footwear, and the allied sector of Bangladesh through an information-based community, to link industries at home and abroad, and to integrate research, and survey activities in positive approaches. This magazine will be published quarterly (either in digital, printed, or in both forms) to cover the leather, footwear, leather goods, chemical, and allied industries.

For the very first issue after the relaunch, we have chosen our main feature on Bangladesh Tannery: It's okay to be optimistic, considering the current situation and perspective about the tanning industry and initiatives taken by the private and public sector. We all know that we can't continue like this and a strong turnaround needs to happen. Despite our challenges, we also have big hope, we are now at the crossroads of moving next level!

We would like to promote enterprises and entrepreneur who showed the courage to go outside their comfort zone and establish their factory in rural areas. We have featured 'Bengal Shoes Ind. Ltd' this time to acknowledge their effort. In the technology section, we have talked about possible defects and remedies for IMEVA products and processes. BIS-ISI certification become an important factor in exporting leather and footwear products to India and we cover that topic as well. Our regular relevant topics remain as usual that we feel you need to know.

I would like to take a moment to thank our staff for their contributions and hard work to the launch of this magazine. As you open your first inaugural issue of Key Notes, it is our sincere hope that you are inspired and enjoy this piece created just for you.

Happy reading!

From Footwear Exchange Family

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Leather & Footwear HIVE

Leather & Footwear HIVE is a quarterly magazine of Footwear Exchange, a platform of people from all around the world who make the footwear, leather and allied industry work. Our mission is to advance all stakeholder of footwear, leather and allied industry through gathering and sharing knowledge.

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Sustainability as a whole is now a global slogan to sustain and save the earth. We consider any investment, either machine or process, to help us lower the carbon discharge in the air. We have implemented or in practice use renewable energy like solar panels, we set up a rainwater harvesting system, and use recycled materials – thanks to our customers as well who encourage us to use those recycled materials.



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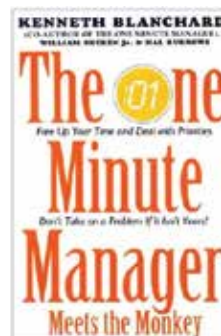
The way of sustainability- LWG Certification

All leather manufacturer audit results are valid for 24 months if the audit is undertaken based on the leather manufacturer's previous 24 months' operations and 12 months' validity for 12 months' data. The leather manufacturer audit protocol consists of 16 scoring sections and one general information section. Each section is equally important to achieving MEDAL (Gold, Silver, Bronze & Audited). The leather manufacturer audit protocol consists of more than 300 questions including a few THRESHOLD questions for medal rating.

37-39 INSIGHT

All about BIS-ISI Certification of Leather and Footwear export to India

For export to India, manufacturers need BIS certification (ISI) under Foreign Manufacturers Certification Scheme (FMCS), or BIS registration (CRS) for certain products. The BIS Certification is obligatory for these products, so that they can be introduced and sold on the Indian market. "



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TOP 10 ECONOMIC PREDICTIONS FOR 2024

Ken Wattret

Inflation will moderate further

The sharp initial decline in global consumer price inflation from late 2022 stalled in mid-2023, reflecting a rebound in energy prices and sticky core inflation, particularly for services. The downward trend has resumed and is expected to continue through 2024. S&P Global Market Intelligence analysts forecast annual global consumer price inflation at 4.7% in 2024, down from an estimated 5.6% in 2023 and a peak of 7.6% in 2022. Lower consumer price inflation rates in 2024 compared with 2023 are forecast across most regions.

01

Growth in North America and Western Europe will fall short of its potential.

This is consistent with the goal of bringing inflation back to target rates. Weaker annual real GDP growth rates are forecast across all the largest regions in 2024 compared with 2023. Global annual real GDP is forecast to grow at a slower pace in 2024 - 2.3% compared with an estimated 2.7% in 2023 - although strength in some regions including Asia Pacific will help to avert a global hard landing.

02

Mainland China's economy will recover slowly.

Mainland China's economy will be supported by more accommodative policy, a gradual improvement of private-sector confidence, and an expected bottoming out of the housing market downturn. We forecast annual real GDP growth in mainland China of 4.7% in 2024, down from an expected 5.4% in 2023.

03

Policy rates will be cut in advanced economies from mid-year.

With confidence building that consumer price inflation rates will fall back to target, monetary policy pivots are predicted by mid-2024. Rate cuts will begin once concerns about underlying price pressures have abated. Quantitative Tightening (QT) by the world's major central banks will continue.

04

Emerging markets will get an earlier start on easing cycles

The central banks that are already easing generally tightened their monetary policies relatively early, keeping inflation expectations stable and second-round effects in check. In Latin America, for example, inflation rates have fallen relatively rapidly, while labor market conditions are generally not tight. Easing cycles that are already under way in Chile, Brazil and Peru are forecast to continue in the period ahead, with rate cuts also forecast in Mexico in the first half of 2024.

05

06

The US dollar will depreciate.

The depreciation will be reinforced by a relative slowing of both US real economic growth and inflation as well as the overhang of a current-account deficit which, as a share of US GDP, is unsustainably high. The yen is expected to appreciate against the US dollar more strongly than many of its peers during 2024, in tandem with the forecast divergence of monetary policy.

Financial headwinds to growth will persist.

We expect the lagged impact of higher interest rates and the quickly waning effect of COVID-19-related support measures to weigh more heavily on debt servicing capacity in 2024. That is likely to drive NPLs higher in most regions. Banks will likely maintain a more cautious stance to lending as a result, requiring higher collateral, and restricting credit to lower quality borrowers. Credit growth is expected to come in below trend in most countries, dampening growth.

07

Declines in residential house prices in Western Europe have further to go.

Tight credit conditions and rising borrowing costs will continue to drive prices down in 2024. The speed and intensity of the correction among economies varies, depending on the imbalances accumulated in the last decade in each housing market as well as mortgage rate fixation periods.

08

A busy electoral calendar will create policy uncertainty.

Geopolitical factors will remain an important source of risk and uncertainty surrounding our economic forecasts, potentially aggravated by important elections taking place across an unusually large number of countries. Election campaigns will set the policy agenda across several important emerging economies, including India and Indonesia in the spring and Mexico in midyear, with elections to the European Parliament also scheduled in June.

09

The energy transition will support growth in the US and Canada. US fiscal policy has turned somewhat stimulative again as the incremental funding in the Infrastructure Investment and Jobs Act begins to support actual construction, as Inflation Reduction Act subsidies for green energy projects supports a huge rise in construction of electrical manufacturing and related facilities, and as the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act similarly boosts production of US fabrication plants. These policy initiatives are one of various factors leaning against a US recession.

10

Ken Wattret is Vice-President, Global Economics, S&P Global Market Intelligence.

About S&P Global

Standard & Poor's—officially, S&P Global—is a public company in the financial information and analytics business. Based in the U.S., but with offices around the world, it provides financial market research and intelligence, maintaining widely followed market and securities indexes—the best-known of which, the S&P 500 Index, acts as a barometer of the entire U.S. stock market.



BANGLADESH TANNERY: IT'S OKAY TO BE OPTIMISTIC

Desk Report

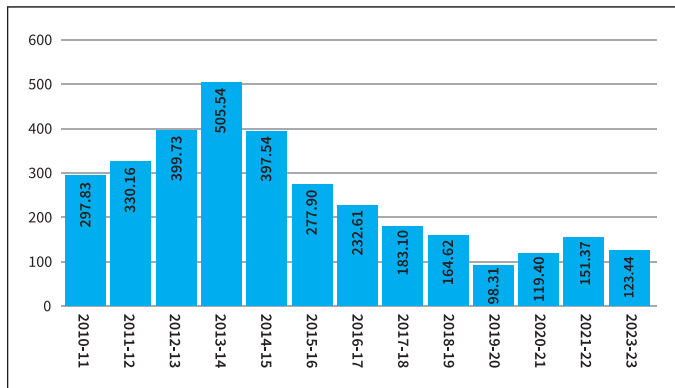
COMMENCEMENT

Well, let us throw out a wild idea here: What if the bottlenecks of Bangladesh tanning industry are solved in 2024? Please don't laugh. Everybody hates everything so much that we've coined the term "vibecession." The pandemic fallout is still reverberating. But maybe it would be neat to head into the New Year without all the doom and gloom.

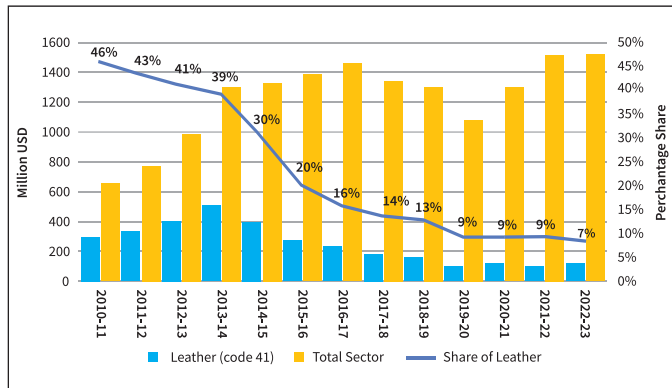
There is a case for hope here. Look at what happened in 2023. We came into the year with the lowest of expectations. A lot of negative news we heard all the year round, different opinions, including some big names, thought even we can shut down this industry. Despite the negative sentiment around the community, we see some good moves, from different stakeholders — sentiment of may be starting turning around is there as well.

HARD FACTS

The contribution of the leather sector to the country's exports has experienced phenomenal growth over the years. The leather sector has evolved as the position of the second export-earning sector of Bangladesh. On the other side of this journey, the fact is export of finished or crust leather is declining year after year. According to EPB data, if we look at the evolution of the leather processing sector over the last 13 years, we can find that from FY 2010-11 to 2013-14 exports increased exponentially every year, when 0.5 Billion US \$ milestone was achieved. That was the first time in history leather sector touched that magic figure. From 2014-15, the growth rate started to decline and continues to decline till date. The contribution of leather itself drastically drops over time compared to the overall sector. It was only 7% in 2023 whereas 46% during the 2010-11 fiscal year.



Bangladesh Leather Export 2010-2023



Export Trend of Leather vs Total Sector 2010-2023

THE TRUTH IS HARD BUT TRUE

Various internal and external factors led to such a fluctuating trend in the crust and finished leather export for e.g. Environmental pollution issues worldwide, Rising of Eco-friendly leather culture, Higher cost of imported machinery and chemicals for leather processing, Inefficiency of raw materials procurement, Lack of skilled work-force, Lack of funding, Heavily reliant on brokers, Work environment etc. Followings are FOUR key bottlenecks that have largely affected tanning industry and leather export –

Global Leather Market on the Decline

There has been a sharp reduction in the pricing of leather all around the world. For instance, around five years ago, the cost of raw materials for Brazil’s leather industry stood at \$1.30 per kilogram, whereas it has currently dropped to \$0.20 per kilogram. Fast fashion brands such as H&M and Zara have shifted towards producing fashion items using synthetic or PU leather, which proves more cost-effective and profitable for these fashion houses. Additionally, animal rights and environmental activists have constantly criticized the use of leather made from animal hides, prompting numerous fashion designers to distance themselves from utilizing leathers derived from animal skin.

COVID-19 and Russian Invasion of Ukraine

In the FY 2022-23, the country experienced a 1.74% reduction in overall exports, largely due to the global economic turmoil triggered by the Ukraine crisis. Within Europe, both leather and footwear exports witnessed a decline ranging from 10% to 15%. The global energy crisis aggravated by the war, severely affected the European economy. As a result, the orders from Europe continued to decline. Likewise, as all the foreign economies were struggling during the pandemic, the demand for Bangladeshi leather exports declined drastically.

Non-compliance with Global Standards due to Inadequate Facility

To protect the Buriganga river and stop environmental pollution, the government has taken the initiative to shift all tanneries located in Dhaka’s Hazaribagh after setting up the Bangladesh Small and Cottage Industry Corporation (BSCIC) Tannery Industrial Estate on 200 acres at Hemayetpur, Savar in 2003 but it originally started shifting 2013. Inadequate capacity of the Chromium Recovery Unit (CCRU) exacerbates the problem. The current CCRU has a capacity of 1,050 cubic meters per day, which is inadequate to manage the 5,000 cubic meters it receives due to improper



■ INSIGHT

effluent transfer and excess water. An absence of a functional chromium drainage system further adds to the problem of chromium recovery. The government has proposed several measures to address this issue. These include: advising large tanneries to establish their own CCRUs, encouraging smaller tanneries to discharge effluents properly, reducing the use of restricted chemicals, and building a chemical warehouse.

Financing Becoming a Challenge

Relocating to the Savar industrial park required significant investment, leading to many tanneries facing a cash crunch. The recent liquidity crisis of the banks on top of this did not alleviate the situation. Not only are the financial institutions hesitant to lend to tanneries because of the leather industry outlook, but the delay in land registration approvals from the government is making it difficult to acquire loans. The government has attributed this delay to the tanneries not paying the installments for the land price, creating a cycle of blame.

THERE IS NO CHOICE BUT TO GO FORWARD

The return of industrial policy will create a regulatory domino effect. Industrial policy is generally any government intervention that provides support for a particular sector or industry. Interventions such as tariffs, trade restrictions, and subsidies can help shield a domestic industry from import competition. Governments can provide tax credits or direct funding to encourage investment, while government procurement can be used to boost demand in the sector.

Bangladesh government recently announced the formation of a Leather Industry Development Authority to enhance the sector's growth. This move aims to develop area-based

tannery industries, which would boost the preservation, processing, and use of leather, ultimately turning it into a major industry for Bangladesh.

Here are some key policies that the Bangladesh government took, played a pivotal role in the industry's resurgence

Leather Industry Development Policy (LIDP) 2019-24:

This policy offered incentives such as tax benefits, reduced import duties on machinery and raw materials, access to financing and credit facilities to attract both domestic and foreign investors. The policy support for participation in international trade fairs, negotiating trade agreements. Increasing technical and vocational skills of workers in leather industry through various skill development program is also important objective of this policy. Moreover LIDP focused on environmental sustainability and the enhancement of product quality.

National Leather Industry Master Plan 2016-25: This plan aimed to improve the quality of leather products, increase market access, and promote sustainable production practices.

Leather and Leather Goods Development Policy 2019: This policy encouraged a more sustainable, compliant, and environment-friendly industry, emphasizing compliance, waste management, and innovation.

Ten-Year Perspective Plan: The Ministry of Commerce set a target to increase the sector's export earnings to \$10-12 billion by 2030, positioning Bangladesh among the top global exporters of leather.

And the positive story happening in Bangladesh Tanning industry as well.

Despite this wholesale handicap to the industry, there are 6 leather manufacturing companies in the country that are LWG certified, 4 Leather manufacturing companies who are SEDEX audited and another 8 companies SLF audited doing business with the global (alongside domestic) market just fine.



LWG Certified

- ABC Leather Ltd.
- Apex Footwear Ltd. – Tannery Unit
- Riff Leather Ltd.
- SAF Industries Ltd.
- Simona Tanning Inc (Bangladesh)
- Superex Leather Ltd.



SEDEX Audited

- ABC Leather Ltd.
- Apex Footwear Ltd. – Tannery Unit
- Riff Leather Ltd.
- SAF Industries Ltd.



SLF Audited

- ABC Footwear Ltd.
- Picard Bangladesh
- ABC Leather Ltd.
- Austan Ltd.
- Bengal Leather Complex
- Sadar Tannery
- Samina Tannery Ltd.
- FB Footwear Ltd.



Private sector always played a significant role

The private sector in Bangladesh has indeed played a significant role in contributing to economic resilience and recovery, especially during challenging economic situations. The ability of the private sector to adapt, innovate, and drive economic activities can positively impact the overall economic landscape.

Improving Environmental Compliance

Let us see an example of Garments industry in Bangladesh. Before the Rana Plaza accident in 2013, there were only two green factories in the country. But now, Bangladesh has by far the highest number of green garment factories in the world. US Green Building Council (USGBC) certified 206 LEED Green factories, including 76 Platinum-rated and 116 Gold-rated. Bangladesh has made remarkable strides as 54 of the world's top 100-ranked factories, including 9 of the top 10, and 18 of the top 20, are now located in the country. Moreover, the highest scorer factory is also from Bangladesh.

Alongside the government needs to heavily invest in improving the wastewater treatment system at the Savar Tannery Industrial Estate and other tanneries across the country. The government should take necessary steps to improve solid waste management, chrome recovery units in tannery areas, and other necessary infrastructure.

Skilling for Leather Industry

There is a huge skill gap for Bangladeshi workers to meet the demands of an evolving competitive market. The Leather and Leather Goods Development Policy 2019 suggests the establishment of vocational training centers and research institutes to develop a skilled workforce in the leather, leathergoods and footwear sectors. The policy also outlines

to take necessary initiatives to increase the participation of females in the overall supply chain of this sector. If implemented properly, this policy will be able to solve the scarcity of skilled workers in the industry.

Rebranding Bangladesh's Leather Industry

The negative perception towards Bangladesh's leather industry has to be tackled with an effective branding effort to create a strong brand identity for Bangladeshi leather products for buyers around the world.

MAYBE WE JUST NEED A HOPEFUL NICE STORY SOMETIMES

Bangladesh's leather industry has come a long way, diversifying its product range, expanding its global market share, and improving the quality of its goods. The industry's growth and transformation are remarkable, with Bangladesh now emerging as a leading sourcing hub for leather goods and footwear on the global stage. While challenges persist, the industry's ability to adapt, invest in technology, and focus on value-added exports positions it for a promising future in the global market. Still, it might be nice to at least try to be modestly optimistic. If objectively good things keep happening for long enough, maybe people will start to feel it more, too.

Source:

www.dhakatribune.com/business/283661/10-years-after-rana-plaza-changes-and-challenges

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Leather sector's woes not ending soon – The Daily Star

My5

“Clear Rejection is better than Fake Promise”

Quazi Salahuddin Mahmud

“ All career paths come with pros and cons, everyone know that. But when anyone know what matters most to themselves, they can be sure that they are choosing the right career path. Guiding principles help anyone to stay focused on what's important and keep in alignment with our values even when the herd is pushing a different way. In My5, we would like to share what principles a successful someone follow. ”



1 Accountability to work
 Accountability is the main element in leadership. Accountability builds up trust, improves performance, promotes ownership, and inspires confidence. Leaders should be able to take responsibility for their team's work, as well as their own. This may involve apologizing for mistakes and developing new systems and processes to avoid errors in the future. It is all about being reliable and having clear standards. I strictly maintain accountability of my work and feel it is the key to my success.

2 Flexibility
 Flexibility helps me to adapt to a leadership style and serve the team. It can adjust and maintain ownership of the team, project or meeting as needed. Flexibility can revise their plans to incorporate new innovations and overcome challenges, while still achieving their goals. Flexibility is not only about surviving and thriving in new situations. Finally, having strength in some skills will help a leader to be flexible in their own behaviors, while also encouraging followers to be more flexible and open to change.

3 Eagerness for learning
 Leaders have to be effective, inspirational and knowledgeable of trends and the topics to lead. Eagerness helps leaders to improve skills and contribute to the purposes, it also helps to inspire the team to continue learning. I commit to continuing the team education and taking part in professional development opportunities, it motivates my team to invest in their own learning.

4 Realistic & practical
 Optimistic leaders show they believe their company is working toward a better future. I value team members to contribute to achieve the goal, always make plans ahead and maintain a positive outlook through changes and transitions. Being positive during stressful or adverse situations can help me to manage difficulties effectively and build great leadership.

5 Innovative & Problem solving
 A leader's ability to navigate challenges and make informed choices can determine the success of an organization, team, or project. Good leaders also make training a priority for their employees, allowing them to develop skills to do their work and minimize the potential for problems. Being able to identify problems and use critical thinking skills to resolve them is an important leadership quality. My willingness to consider a different concept or approach helps to build the team and makes us successful.

Mr. **Quazi Salahuddin Mahmud**, General Manager (Technical) of Apex Footwear Limited, was born in 1965 at his native village Lauxmipur, Kotwali, Faridpur. Mr Mahmud passed his SSC in 1979 and HSC in 1981 and obtained his Bachelor of Science degree in Leather Engineering in 1987. In his 35 years of experience in different leather industries, Mr Mahmud received different training as a Leather professional home and abroad. Alongside, he is Lead Auditor of EMS (Environmental Management System) and working as an expert of Sustainability development in Leather sector.

BENGAL SHOES IND LTD.,

STORY TO CONVERT A STATE-OWNED TEXTILE MILL TO AN EXPORT ORIENTED FOOTWEAR MANUFACTURING UNIT, IN LAKSHMIPUR

Desk Report

Bangladesh is a manufacturing powerhouse in South Asia. Despite its rather small size of 147,000 sq kilometres (similar to Nepal and somewhat smaller than Cambodia), it is the world's eighth most populous country, home to some 160 million people. The country has maintained robust economic growth in the past decade, with GDP growth optimistically projected at around 7% over the next few years.

With a per capita income of about US\$1,300, Bangladesh has highly competitive wages and is regarded by many as one of Asia's final production frontiers. Since the early 2000s, Bangladesh has evolved into the world's second largest clothing exporter after China, accounting for about 6% of global clothing exports.

This is one side of the story of manufacturing industry in

Bangladesh and Bengal Shoes Industries Limited (BSIL) falls on other side of manufacturing. It is a story of a government owned textile mill converted into an export oriented footwear industry of total 1,836 workers who are mostly women, are busy stitching not clothes but a range of stylish footwear.

Bengal Shoe Industries Limited (BSIL) – a private limited company formed in 2010, is located on 15.73 acres (685403 SFT), today shipping more than 1 million pairs annually to the world including customers like H&M, Aldo, Deichmann, Carrefour, CCC etc. The complex includes, among many else, a dormitory, a drinking water facility, and a medical center. Workers, I'm told, get an average monthly wage of \$100, In addition, they are covered for medical and life insurance, and get bonuses twice a year.





Over **170**
Servicesors &
Officers



Over **217**
Production Staff



Over **1,500**
Skilled Workforce



The story of Bengal Shoes Ind Ltd began even 40 years earlier when current the Managing Director Mr. Tipu Sultan’s father established Bengal Leather Complex Ltd. (BLC) in 1982 with a comprehensive plan to produce Crust and Finished leather from excellent quality local raw hides. In other way, there was no wonder why Mr. Tipu invested in Footwear industry. But question was why in Rakhalia, Raipur, Lakshmipur, 160 km from the capital city Dhaka & 158 km to Chittagong Port? ‘Look, I am from this area and we have said our moto is to serve the rural community to enhance their lifestyles’ said Mr. Tipu. ‘All workers are from area where factory is located, some of them have worked from day one of our inception. Since shoemaking is a very labor-intensive business and we operate in a way so that they never feel that they may have better lifestyle if they leave their own place. We see our compliance standards and worker benefits as our competitive advantage.’

Seated in his Dhaka Hazaribagh office, which was previously his tannery, now shifted to Savar Tannery Estate, Mr. Tipu seems very proud of his investment. We were a little tough on him and doubted about his intention to invest in rural area as we have always taught that businessmen always look for businesses. ‘You are right. I got three advantage for this place. One – this was a government textile mill, so it had infrastructure already, only needed to invest in machineries. Two – location, if you see

the location it is between Dhaka and Chattogram, I mean Chattogram port is near. And three – local workers, there was less chance of migration, off-course I need to invest on trained them that pays now’ – Mr. Tipu was so straight. ‘Hiring management team was difficult as those people don’t want to leave there. And you need to be self-sufficient in everything you need for shoe production.’

While China still has the biggest footprint, with a 60% share of global shoe production, its rising labor costs have made big retailers look elsewhere, to countries like Vietnam and Bangladesh. There are a lot of advantages of Bangladesh - where the cost of labor in shoemaking, at less than one-fourth that of China, is the lowest in Asia to gain a significant berth as a profitable manufacturing hub.

The country's annual leather exports, including footwear, have been climbing lately, doubling since 2010 to just over \$1.7 billion where footwear (both leather and non-leather footwear) contributes more than 70%, nearly 1.2 billion in 2022-23 FY. And rise of non-leather footwear exports

(contribution become 40% on footwear segment from 28% in 2014-15 FY) pushed investors to think about this segment as well.

‘We were building our footwear factory for leather footwear as we had our own tannery. But later we need to invest different machines for producing non-leather footwear e.g synthetic, sports type shoes.’ Said Mr. Tipu.

At present, Bengal Shoes Ltd has facilities for producing leather footwear, cemented lines for athletic / sports shoes (that includes Canvas sneakers, sports running, casual sports etc), 16 stations of Direct Injection Process to support its famous brand shoes. DIP shoe uppers are produces through Canvas/PU which is directly injected with PVC/TPR granules to retain an automated sole, there is an embroidery production facility, and TPR outsole to cover its internal production.



Life at Bengal



BSIL Environment

Maintain a safe, clean, healthy and work friendly environment with its all level of work force.

Work Premises Facility

In-house medical facilities, prayer room, clean restroom, well organized dining room, available drinking water, well ventilation & adequate day light on work station are always maintain in the corner of the required area.

Worker Participation Committee (WPC) Is available to preserve the best interest of the employees

Training Center

To develop skill workforce and employee, BSIL has its own well equipped training center, every single workforce and employee has to go through the training program.

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IN CONVERSATION WITH MD. TIPU SULTAN

MANAGING DIRECTOR, BENGAL SHOES IND LTD.



Mr. Tipu Sultan, renowned entrepreneur and Managing Director of Bengal Shoes Industries Ltd has an experience of about four decades and contributed immensely to the areas of leather and footwear in Bangladesh. As a visionary entrepreneur, Mr. Sultan established Albarosa Limited in the year 2010, which has marked its prominence as a Finished Leather Products Manufacturer and Exporter in Bangladesh. Mr. Sultan started his career by joining their family business and became Chairman of the Board of Bengal Leather Complex Limited in 2014, engaged in manufacturing finished leather for about 30 years. He also served as the Chairman of the Bangladesh Finished Leather, Leather Goods and Footwear and Exporters Association (BFLLEA) for consecutive 2 times.

The Footwear Exchange team talked with Mr. Tipu Sultan recently to explore his vision and journey as a footwear entrepreneur.

Sustainability as a whole is now a global slogan to sustain and save the earth. We consider any investment, either machine or process, to help us lower the carbon discharge in the air. We have implemented or in practice use renewable energy like solar panels, we set up a rainwater harvesting system, and use recycled materials – thanks to our customers as well who encourage us to use those recycled materials.

Q. What inspires you to come into the footwear business?

A. As you know, our family has had a tannery since 1987, named Bengal Leather Complex which is still one of the renowned leather manufacturers in Bangladesh. After settling our tannery business, we were looking to extend our portfolio to other businesses. Like other tannery owners, footwear was an easy choice for us to invest. Basically for two reasons – number one – we could get raw materials support from our tannery. Number two – it is a value added or extension of our leather. We intended to establish a leather footwear initially, later we extended our factory for synthetic shoes due to customer demand.

Q. Why did you choose the factory in remote area? What challenges do you have for this location?

A. Lakshmipur is my birthplace where our footwear factory is located. Doing something to the root was a very inner motivation for establishing a factory there. But as a businessman, you should also calculate feasibility analysis for that. You know, since the establishment of the Privatization Board in 1993 and thereafter the Privatization Commission in 2000, different state owned enterprises (SOEs) have been privatized. We took that opportunity and bought 'Noakhali Textile Mills' from the government and named it 'Bengal Shoe Ind Ltd'. This helped us to solve 2 issues – one – we already had infrastructure, though we needed to change it and two – our intention to do something for our roots.

In the preliminary stage we have faced lots of local pressure, workforce arrangements, trained unskilled workforce to skill

one. But we were quite confident that we could tackle those challenges. Rather we support building a better community there. The area has developed well, the excessive pressure towards Dhaka has reduced due to localization of manpower empowerment, a few numbers of Educational Institutions have developed, shopping centers, recreation facilities have developed as well based on our factory. The daily lifestyle has changed with a huge number of employees engaged from the same family and their earnings secure.

Q. Why did the buyer order from your factory? What are specific advantages you have that others don't?

A. I would say, aggressive marketing helped us to reach our customers. In House R&D facilities in BD and China, procurement offices are China support to build customer's confidence in us. Comparatively high efficiency due to higher retention rate of our workers made us price competitive and supported maintaining deadlines for our customers. As it was a state owned facility, we can maintain higher compliance standards. With time, we have also developed a lot of in-house facilities – for e.g –TPR and PHYLON Outsole Plant, Foam Plant, DIP Plant, in-house lamination process, introduction of CNC machineries in different departments. What else do you need to attract customers!

Q. What are the biggest changes in the industry in the past five years, and how have they affected the company?

A. When I look back 5 years from now, COVID was something that the world never experienced. During and after COVID, resilience in the supply chain became an important factor in manufacturing. As we are dependent on import of raw materials (from China mainly), we see a paradigm shift of the supply chain. Investors started to understand the need for a backward linkage industry. We have also started searching for what we can source from Bangladesh and reduce our import dependency. Second big change happened on sustainability – our customers become more demanding on different sustainability / compliance indexes. Social sustainability was there already – now adding environmental issues very strongly. Alongside social and environmental compliance, safety becomes another point to check. If you see the green initiative of garment manufacturers after the Rana Plaza incident, you can easily relate to my statement. As garments manufacturers did a tremendous job of greener factories, footwear customers also put their demand on safety. Workers awareness is another change that I can mention here. 5 to 10 years back, our workforce was not very aware, nowadays they are very much aware about of their rights. These all are changes that shape our industry.

Q. What do you think are the biggest challenges our industry will face in the next 5 years? What is your next 5- and 10-years plan to mitigate challenges?

A. Technology has become and will be a very important factor we need to consider for the future. When I say technology, it doesn't only mean manufacturing technology (e.g. robotics, AI etc), but the overall impact of technological advancement. As I mentioned before, supply chain resilience would be another demand for the future. Skilled workers become another concern for the future as the young generation has many more options in hand than manufacturing. Challenges are a common phenomenon in every industry and mitigation is very important. We are trying to adapt technology as a whole for our factory. We always encourage our component suppliers to invest in components in Bangladesh so that lead-time can be reduced. Continuous investment on people development will support us to ensure workforce supply.

Q. Nowadays technology has become very important, and we are talking about industry 4.0 where automation and AI will be important. How do you see this in footwear industry perspective?

A. I already mentioned this in an earlier question. There is no disagreement about technological considerations. But we should remember that customers mainly come here for price, so anything that impacts product price should be considered carefully. For me, we should initially reevaluate our processes and look at what causes bottlenecks in the process, we should invest only in those operations that help us to increase our efficiency.

Q. Sustainability become a big issue worldwide. How do you see sustainability implementation in your industry?

A. This becomes a non-negotiable concern and we follow this. Sustainability as a whole is now a global slogan to sustain and save the earth. We consider any investment, either machine or process, to help us lower the carbon discharge in the air. We have implemented or in practice use renewable energy like solar panels, we set up a rainwater harvesting system, and use recycled materials – thanks to our customers as well who encourage us to use those recycled materials.

Q. What is your leadership philosophy? What would you do to attract top talent?

A. My leadership philosophy is very simple – hard work with passion and consistency will pay back you. There is no short-cut for success. Keep doing, keep trying for new things. There are a lot of external factors that you can't control but make sure all factors that you can control are well addressed.



POSSIBLE DEFECTS AND REMEDY OF IMEVA

Abdul Kayum

IMEVA SOLE:

IMEVA Sole means Injection Moulded EVA (Ethylene Vinyl Acetate | Material) Sole. IM represents the Process and EVA represents the Material.

EVA is an elastomeric (naturally stretchy) polymer that produces materials which are "rubber-like" in softness and flexibility. EVA soles are made to fit onto Sports Shoes or Sneakers to make optimal, lightweight comfortable EVA sneakers. EVA can be made to be stiff and solid, or more foam-like and flexible.

KEY STEPS of PROCESS:

Compound Mixing > There are 2 types of Compounds (S & L) needed to mix physically: S means Short Expansion & L means Long Expansion.

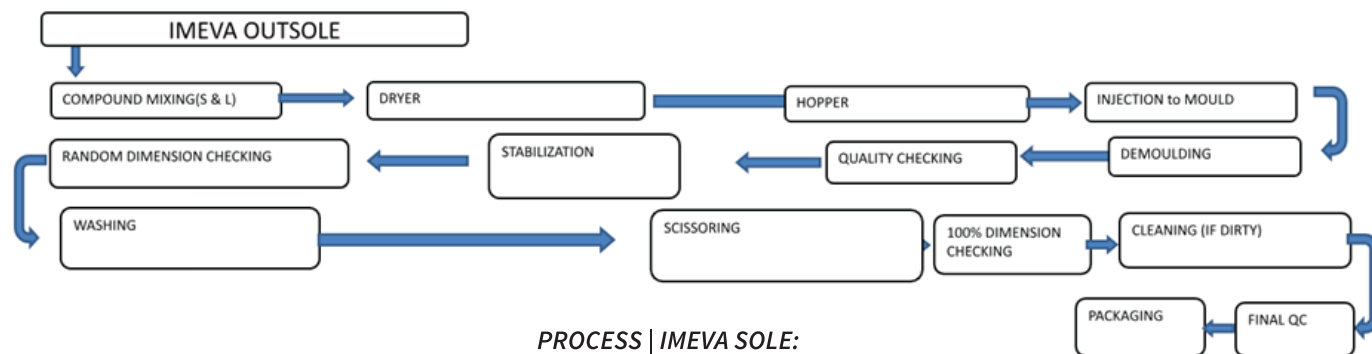
Dryer > Mixing Compound needed to dry with >50°C temperature to avoid Bubble issue in Sole.

Mold Cleaning & Preparation > Mold has to clean before every Cycle of Sole injection through Water, Air & Releasing Agent so that Sole won't be stuck in Mold.

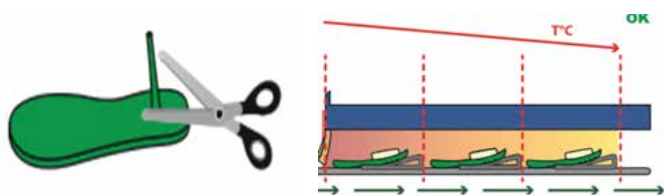
Injection to MOLD > Compound is being injected from Hopper to Mold and Key parameters here are:

1. Curing Time
2. Mold temperature
3. Injection Temperature
4. Injection Pressure





Stabilization > This step is very important to keep expected Dimension & Shape of Sole. After Demolding Sprue needs to be cut and within 60 Seconds the Sole has to be input in the Stabilization machine. In stabilization there are 5 Chamber where temperature is decreasing gradually. To set the Temperature in stabilization machine need to check the Sole temperature & Room temperature and also the Sole hardness.



Washing > The silica (Releasing Agent) we use in Mold for easy demolding needs to be cleaned. If we don't do that properly It'll impact Sole Bonding. Sole can be washed through Warm Water or Stone.

KEY DEFECT | IMEVA SOLE:

BURN:

Reason>

1. Machine vacuum duct or mold blocked somewhere
2. The mold was evacuated, parts of excess materials is not clean
3. The vacuum pressure is too low & Vacuum Hole is too small.
4. The release agent concentration



Solution>

1. Evacuation tube removed, regular cleaning.
2. Check mold adaptation and whether the parting surface dirt clean
3. Check the vacuum holes are standard alignment & clear
4. Reduce and reasonable use of spray

DIRT:

Reason>

1. Operator dirty gloves.
2. Mold surface and inner surface are dirty.
3. Oven / Conveyor dirty



Solution>

1. Evacuation tube removed, regular cleaning of Oven/Conveyor.
2. Check mold adaptation and whether the parting surface dirt being cleaned
3. Check the vacuum holes are standard alignment & clear
4. Reduce and reasonable use of spray

BUBBLE:

Reasons>

1. The material is not dried well
2. Non-uniform release agent
3. Raw materials anomalies



Solutions>

1. Dry the raw materials, 40 - 60 °C for min 1 Hour
2. Check vacuum gauges
3. Maintain the Temperature of Injection Roller & Mold.

■ QUALITY

DEFORM:

Reasons>

1. If the toe spring, weights and zigs are not placed properly
2. If there is changes in injection parameters specially Mold Temperature & Curing time
3. After Demolding if Sole hasn't arrived in Stabilization within 60 Seconds



Solutions>

1. Check the mold temperature & Curing Time and fix it
2. Place the Zig, weights and toe spring properly.

IMPURITIES:

Reasons>

1. If the Mold isn't Cleaned well
2. If the Filtering of Compound (OK/NOK) isn't well managed during Material Production

Solutions>

1. Clean the Mold properly after every cycle of Production.
2. Filtering of Material (OK/NOK) has to be managed properly.

CRACK:

Reasons>

1. Problem of Mold Design & Magnification
2. Over Feeding or Less Feeding
3. Excess Hardness due to stabilize the long Sole

Solutions>

1. Modify the Mold specially avoid sharp edge
2. Ensure right feeding as per Machine & Mold .
3. Don't Stabilize the sole more than 2 times to minimize the Length for over 60 asker C Sole.

LONG/SHORT LENGTH

Reasons>

1. Problem of mold ER Ratio.
2. The Ratio of Material isn't OKAY.
3. Stabilization conditions (temperature) are not optimized
4. Materials moisture.

Solutions>

1. Modify the mold
2. Adjust the ratio Materials (S & L) as per INDUS adjustment
3. Define the best stabilization conditions
4. Drying the raw materials properly

CONCLUSION:

In summary, opting for footwear with Ethylene Vinyl Acetate (EVA) soles offers several compelling advantages. EVA soles, known for their lightweight nature, provide comfort and reduce fatigue during prolonged wear. The exceptional shock absorption properties make them ideal for athletic shoes, ensuring effective cushioning against impacts. The inherent flexibility of EVA allows for enhanced freedom of movement, particularly beneficial in shoes designed for running or other physical activities. Furthermore, the enduring durability of EVA ensures that shoes with these soles withstand regular wear and tear, offering customers a prolonged and valuable footwear solution.

However, potential drawbacks include a susceptibility to compression set over time, sensitivity to extreme temperatures, and a lesser suitability for heavy loads. Deciding on EVA soles involves balancing these advantages and disadvantages based on specific footwear requirements.

About Author

Mr. Abdul Kayum, a Footwear passionate specially on Mold, Compound & Sole working as a METHOD ENGINEER with the responsibility to Innovate new compound, Sole for reducing CO2 emissions and increase Product Benefits for the user.

A COMPLETE CALENDAR OF ALL THE FOOTWEAR TRADE SHOWS FROM JANUARY TO MARCH 2024

January 2024

Jan 16 - 19, 2024

Dallas Apparel & Accessories Market
Dallas World Trade Center, Dallas
Dallasmarketcenter.com

Jan 17 - 18, 2024

Premiere Vision New York
Tribeca 360, New York City
Newyork.premierevision.com/en

Jan 17 - 19, 2024

Pitti Bimbo
Fortezza da Basso, Florence
Bimbo.pittimmagine.com/en

Jan 23, 2024

Lineapelle London
Ham Yard Hotel, London
London.lineapelle-fair.com

Jan 24 - 25, 2024

NE Materials Show
SoWa Power Station, Boston
Americanevents.com

Jan 31 - Feb 1, 2024

Lineapelle New York
Metropolitan Pavilion, New York City
Newyork.lineapelle-fair.com

February 2024

Feb 5 - 9, 2024

FFANY
Member showrooms, New York
FFANY.org

Feb 6 - 9, 2024

Atlanta Apparel
AmericasMart, Atlanta
Atlanta-apparel.com

Feb 13 - 15, 2024

Project Las Vegas
Las Vegas Convention Center, Las Vegas
Projectfashionevents.com

Feb 18 - 21, 2024

Mipel
Fiera Milano Rho, Milan
Mipel.com/en

Feb 20 - 22, 2024

Lineapelle
Fiera Milano Rho, Milan
Lineapelle-fair.it/en

March 2024

Mar 3 - 5, 2024

Shoes Düsseldorf
Areal Böhler, Düsseldorf, Germany
Shoes-duesseldorf.com

Mar 5 - 7, 2024

SAPICA (Footwear, Leather & Goods
Fashion Show)
Poliforum León, León, Mexico
Sapica.com

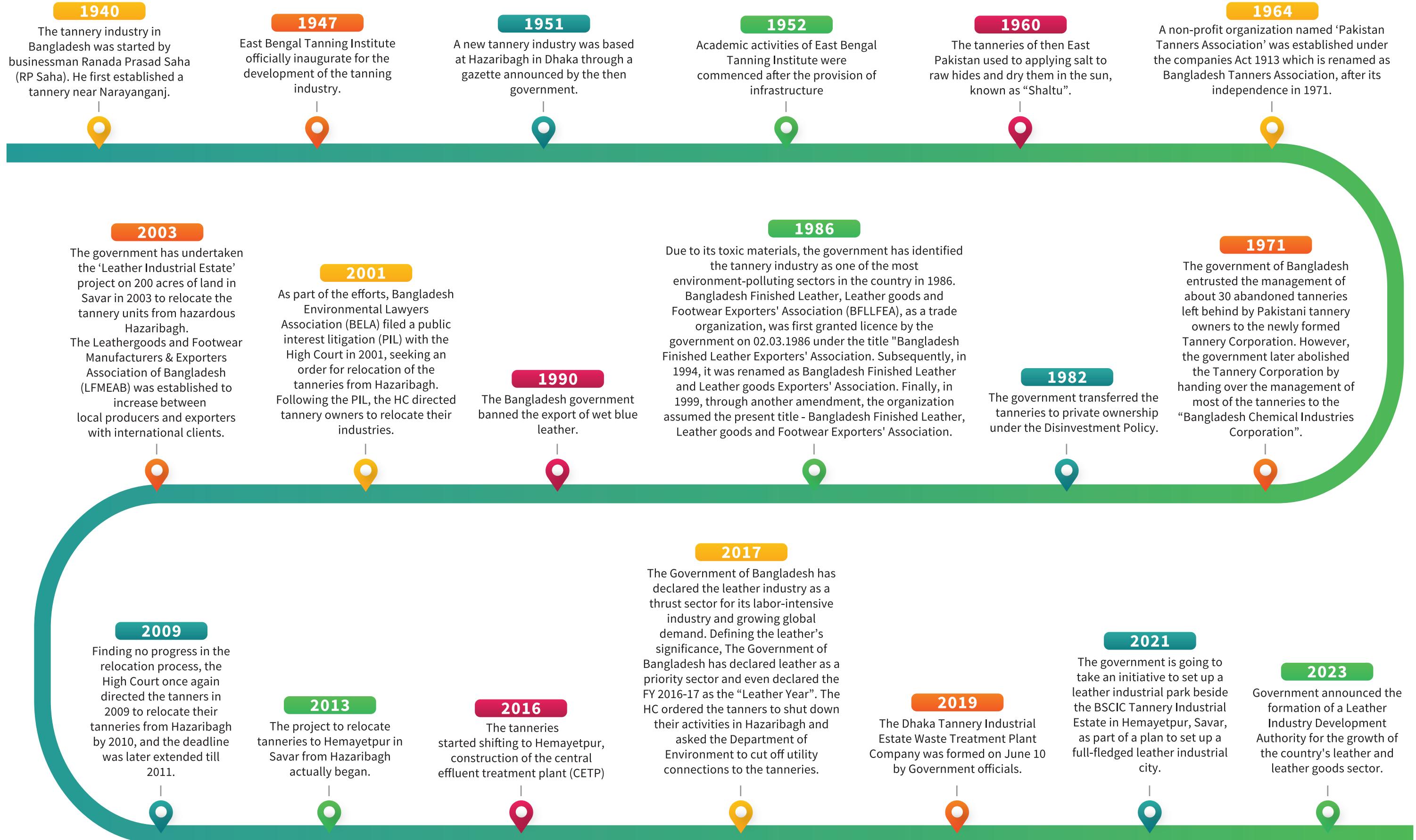
Mar 19 - 21, 2024

APLF Leather/Fashion Access
Hong Kong Convention & Exhibition
Centre, Hong Kong
APLF.com

Mar 20 - 23, 2024

MosShoes
Gostiny Dvor, Moscow
Mosshoes.com/en/

KEY MILESTONE OF BANGLADESH TANNING INDUSTRY





Meet who and what talked us in **LEATHERTECH 2023**



Leather & Footwear TALK is a flagship conversation program of Footwear Exchange.

The objective of Leather & Footwear TALK is information sharing through conversation with different stakeholders of Leather & Footwear sector, in Bangladesh and outside Bangladesh. Footwear Exchange believe this TALK could change our points of view or validate our original stance and vice-versa.

Footwear Exchange took active participation for its 9th Edition held on 2-4 Nov 2023 and met various stakeholders of the Leather and Footwear sector.



AVIJIT CHOWDHURY

Executive Member (Strategic Investment),
Bangladesh Investment Development Authority (BIDA)

Government ensure all logistic support to the sector to grow, specially in Savar Tannery Estate.

Government forms different investment promotion agency like BIDA, BEZA, BEPZA, Hi-Tech Park Authority, Public Private Partnership Authority (PPPA) and leather sector investor can avail those easily through One Stop Service (OSS)

Government offer different incentives for investors.



ABU SAYED JOARDER

Director General,
Bangladesh Investment Development Authority (BIDA)

Government took a project called EC4J where leather and footwear sector included to diversify export basket.

EC4J support not only to diversify but to train different stakeholders so that they can be competitive for future sectoral need.

There is a monitoring cell who support compliance support for this sector. We hope the barrier we have on compliance to serve global market will remove soon.



MAHBUBUR RAHMAN

Director General,
Export Promotion Bureau (EPB)

The contribution of government to leather sector is higher than any other sector in Bangladesh.

EPB support investors to diversify their export market.

We are concentrating Fareast region for leather export.

We hope the transformation of leather sector will be faster comparing past, thanks to our different stakeholders effort.



FARUQUE HOSSAIN

Former Secretary,
Government of Bangladesh
Former Chairman,
National Skills Development Authority (NSDA)

Government formed NSDA to create skilled human resources through planning and coordination of all skills development activities on the basis of national and international market demand.

We should identify need of managerial level skills, mainly soft skill in different sector so that we can reduce dependency of foreign experts.



SHUBHASHIS BOSE

Former Senior Secretary,
Government of Bangladesh
CEO, ICAB

Now we need to focus more on productivity, invest on modern sophisticated machineries and using of AI/Robotics in our production.

Both INTRA and INTER diversification happening now and we should keep continue exploring value added product.

Government already announce formation of Leather Industry Development Authority that will support appropriate policy making.



TIPU SULTAN BHUIYAN

Managing Director,
ASK Trade and Exhibition Pvt Ltd.

One of main reason why we start this technology fair is to give scope to the mid-managers as most of them don't have opportunity to visit this kind of exhibition outside country so that they can explore new technology around world. They can explore A-Z need of this sector under one roof.



JASHIM UDDIN

Executive Director,
Lalmai Footwear Ltd.

Customers are more demanding now than before. They look for leather from LWG certified tannery, demand more on physical and chemical specification. Our tannery should offer more SKUs to fulfill demand of customers. We should take care of this concern.





NASIR KHAN

Managing Director, Jennys Group
Chairman, Bangladesh Shoe City

The concept of Bangladesh shoe city is 'play & plug', investors don't need to invest on infrastructure, rather they can rent shade and start production immediately.

We had a survey and found that 20% of logistic cost will reduced if someone invest on shoe city. They can start operation by 30% investment.

We give space as per requirements. We have 150K SFT floor ready, we can deliver space within 3 months.

We took permission from BIDA as export cluster and investors can get about 50 services through one-top service channel provided by BIDA.

We had a survey and found that 1 Billion USD can be exported from Shoe City.



ALOK JAIN

Managing Partner, Swastik Polymers
Treasurer, Confederation of Indian Footwear Industries (CIFI)

There are lot of potentials for this sector. We hope Bangladesh keep going, need to try to make ease of doing business, transparency. India-Bangladesh should move hand to hand and support each others.



MOMTAJUL MAREFIN

DGM - Operations,
Apex Footwear Ltd

Unfortunately, I can't use Bangladesh leather mostly due to not having traceability of our leather. When I import leather from Brazil or Australia, they can provide traceability.



MD MIZANUR RAHMAN

Chairman & Founder,
Fortune Group.

We have taken on the challenge of establishing factory in rural areas. And I was quite certain about worker availability there.

Government has taken huge infrastructural development, specially for the southern part of the country that really reduces transportation lead-time.

Government should encourage investors to invest in the backward linkage industry for the footwear sector.

New investors should understand the product first, no alternative of hard-work and owner must know the pricing structure of shoes.

We should focus on adapting technology from China, and start making samples in Bangladesh.



GOLAM SHAHNEWAZ

Managing Director, Dhaka Tannery Industrial Estate Waste Treatment Plant Company Limited (DTIEWTPCL).

We have set our Short, Mid and Long term plan already for CETP of Dhaka Tannery Industrial Estate.

We would like to work closely with tannery owners, technologists and other stakeholders to motivate them using less hazardous chemicals.

We are working with different industry for our solid waste, e.g. cements industry for shaving dust



SHAMIM KABIR

Managing Director,
Step Shoe Last & Accessories Co Ltd.,
Step Footwear., Grebond International.,
Baly Trade Link

Now I think everybody realize specially after COVID that we need to invest on backward linkage industry. Market is also growing and demand growing for backward linkage industry.

I believe not only investors related to this sector should invest on backward linkage, we need to inform and encourage other specialist to invest as well.

Government should give incentive for backward linkage industry as like finished product industry.



ERIK ILLIG

Managing Director,
Wilhelm Textile India PVT Ltd.

In this days, you can't only rely on cheap labor as there will be always someone who is cheaper than you. You have to build your customer base on quality and sustainability.

Bangladesh should support faster facility in border area.

Investing factory in Bangladesh or any country is not easy job, it not only about making infrastructure but developing people and process take time.



AMIT BAJORIA

CEO
Kyotex Thermo

Technology is most probably only way to move forward for any difficulties when it is about manufacturing. We should embrace them warmly.



MOHAMMED KAMRUL HASAN

Executive Director,
Walker Footwear Ltd.

We see scope and opportunities on footwear industry. We have huge manpower, domestic demand is increasing everyday and export even have long way to go.

Crisis of skills workers, retaining them in industry is big challenge. We now developed our own training center alongside with government program and every factory should focus on people development.



NANDAGOPAL K

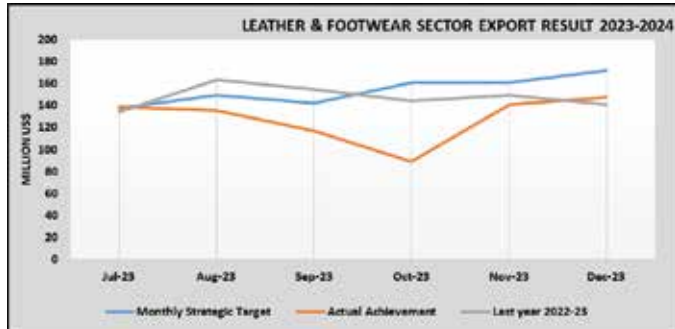
Director, ASK Trade and Exhibition Pvt Ltd.

We would like to establish this exhibition not only buyer seller meeting place but a networking platform opportunities. We see business as consequence when all stakeholders come, meet, greet under one roof. I believe sooner or later all hindrance will remove and sector will grow with full potential.



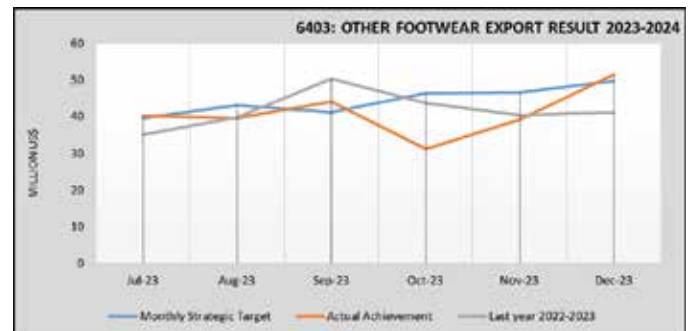
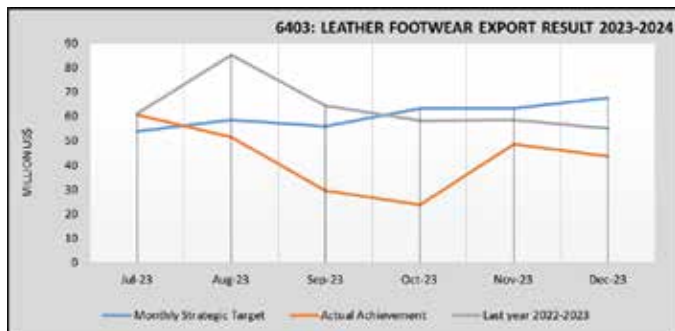
BANGLADESH’S LEATHER AND FOOTWEAR EXPORTS FALL BY 13% IN FIRST HALF OF FY 2023-2024

Data Intelligence Report



According to the Export Promotion Bureau of the Government of Bangladesh, in the first half of fiscal 2023-2024, total leather and footwear exports decreased by 13.39%, on a comparable basis to the same period of last year, reaching 769.18 million US dollars. The figure was 16.65% lower than the strategic target set for the period of 922.85 Million US dollars.

On the other hand, finished leather exports increased by 5.10% from the same period of the prior fiscal year, totaling 67.37 million US dollars, and above the strategic target set for the period (65.57 million US dollars) by 2.75%.



However, it was the leather footwear segment that took the biggest hit. From July to December, Bangladeshi’s leather footwear exports amounted to 257.90 million US dollars, which reflects a decline of 32.72%, as compared to the same period of the previous fiscal year. This figure was also down by 29.01% from the strategic target set for the period of 363.31 million US dollars.

The compiled data also shows that other footwear exports declined by 1.85% in the first half of the fiscal year, comparable to a similar period of last fiscal year, amounting to 246.15 million US dollars. This value was lower than the strategic target set for the period by 7.86% (267.14 Million US dollars).



Bangladeshi Leather and Footwear Industry Bangladesh has emerged as one of the top 10 producers of footwear globally, according to the World Footwear 2023 Yearbook). Its exports have grown rapidly in the past decade, with a further 20% increase recorded in 2022. Bangladesh primarily exports to the US and European markets and imports almost exclusively from China. The country has set a 1.9 Billion US dollar export target for FY 2023-24 for the leather and footwear sector overall.

Meanwhile, leather goods exports increased by 4.15% year-over-year in the first six months of the current fiscal year, reaching 197.76 million US dollars; nevertheless, this figure was 12.82% lower than the strategic target set for the period (226.83 million US dollars).

DATA INTELLIGENCE

Data intelligence is an initiative of Footwear Exchange that collects, analyses, interprets footwear, leather, and allied industry data on sourcing, supply chains, distribution, retail, and technology.



STANDARD AND CERTIFICATION SYSTEMS FOR TANNING INDUSTRY WORLDWIDE

Desk Report

Adopting standards and certification systems helps the leather industry to ensure compliance with relevant criteria and acknowledge good industry practice.

Different standards and certification systems significantly vary in terms of their requirements, approach to assurance—ranging from self-declaration to third-party audits—and the degree of traceability and oversight throughout the supply chain. Some are only active in certain regions or markets and others focus on particular impact areas.

For leather, most standards cover the processing stage. While there are multiple standards covering animal welfare for meat production, only a very few small supply chains currently manage to maintain traceability of the hides of certified animals through to finished leather goods. Aside from animal welfare concerns, the need for brands to know whether leather originates from land where deforestation takes place brings the necessity of joined up and certified supply chains to the fore.

The Leather Working Group (LWG)



The Leather Working Group (LWG), formed in 2005, is a multi-stakeholder group with over 1,800 members that offers a suite of auditing tools to assess the environmental performance of leather manufacturing facilities and certifies those that meet its standards. In 2022, approximately 4.7 billion square feet of wet blue leather and around 9.5 billion square feet of finished leather were produced in the 1,103 leather production facilities audited by LWG. The market share of LWG leather increased from around 29% of global total finished leather production in 2021 to 39% in 2022.

Supplier Ethical Data Exchange (SEDEX)

Sedex® Sedex is the trusted partner for ESG and responsible business. Our leading technology platform, insights, and services make it simpler for businesses to manage and improve environmental, social and governance (ESG) performance and meet their sustainable supply chain goals. The world's most widely used social audit, SMETA is designed to empower businesses like yours to conduct comprehensive evaluations of their suppliers. This guide will help you understand how it can help your business drive sustainability.

Sustainable Leather Foundation (SLF)

A global foundation for the benefit of all stakeholders in the leather industry, the focus of the Sustainable Leather Foundation is to provide a certification programme; education; best practice; cohesive collaboration and global action. At the heart of the foundation is the SLF Transparency Dashboard™ and integrated web platform, linked to a certification standard that assesses new, or records existing, performance and performance of leather manufacturers and associated facilities, against the three pillars of sustainability; Environmental, Social and Governance. By providing a consumer accessible window to sustainability performance, alongside fully transparent, detailed, data for the value chain partners, the Foundation can independently foster better collaboration, better solutions and better outcomes for people, planet and profit.



Global market share of the Leather Working Group (LWG)
(% of global finished leather in 2022)

39% LWG

61% Conventional

Source: Textile Exchange based on the Leather Working Group (LWG)



THE WAY OF SUSTAINABILITY

LWG CERTIFICATION

Firoz Alam Talukder

The Leather Working Group (LWG) is a group of brands, retailers, product manufacturers, leather manufacturers, chemical suppliers, and technical experts with the vision of envisaging a world where leather is sourced, produced, and used sustainably, protecting people and the planet. 90% of Brands & Retailers are asking their leather suppliers for a level of LWG certification and over 25% are requiring leather manufacturers to have a silver or gold medal rating.

The group endeavors to promote improvement in the leather manufacturing industry by creating alignment on environmental priorities by bringing visibility to best practices and providing guidelines for continual improvement by creating a transparent leather value chain that achieves positive impacts aligned with the Sustainable Development Goals.

Since 2005, the Leather Working Group (LWG) has been dedicated to driving improvements in sustainability within

the leather industry. LWG is the world's largest leather industry-specific stakeholder organization, representing over 2000 stakeholders in over 60 countries, 1103 are leather manufacturers covering 30% of the global leather supply chain. Only 6 tanneries in Bangladesh achieved LWG certificates (Three Gold & Three silver rated).

LWG publishes audit protocols designed to assess the performance of organizations operating within the leather production sector concerning issues surrounding environment, chemical management, procurement, best practice, health & safety, and social responsibility:

- Leather Manufacturer (Tannery) Audit Protocol,
- Commissioning Manufacturer Audit Protocol,
- Subcontractor Audit Protocol,
- Trader Protocol.

Categories of Leather Manufacturer and audit score

No.	Modules	Maximum score	Potential score	Actual score	Minimum Requirement (%)				% Percent	Section Rating
					Gold	Silver	Bronze	Audited		
1	General facility details	-	-	-	-	-	-	-	-	-
2	Subcontracted operations	100	100	0	85%	75%	65%	50%	0	FAIL
3	Social audit	50	50	0	0	0	0	0	0	PASS
4	Operating Permits	100	100	100	85%	75%	65%	50%	100%	GOLD
5	Production data	100	100	75	85%	75%	65%	25%	75%	SILVER
6	Traceability (incoming)	50	50	0	0	0	0	0	0	PASS
7	Traceability (outgoing)	60	60	0	0	0	0	0	0	PASS
8	EMS	100	100	65	85%	75%	65%	50%	65%	BRONZE
9	RSL, Compliance, CrVI	150	150	0	85%	75%	65%	50%	0	FAIL
10	Energy consumption	100	100	0	85%	75%	65%	25%	0	FAIL
11	Water usage	100	100	0	85%	75%	65%	25%	0	FAIL
12	Air & noise emissions	100	100	50	85%	75%	65%	50%	50%	AUDITED
13	Waste Management	150	150	0	85%	75%	65%	50%	0	FAIL
14	Effluent Treatment	150	150	0	85%	75%	65%	50%	0	FAIL
15	H&S, Emergency Plans	150	150	0	85%	75%	65%	50%	0	FAIL
16	Chemical Management	150	150	0	85%	75%	65%	50%	0	FAIL
17	Operations Management	100	100	49	85%	75%	65%	50%	49%	FAIL
	TOTAL	1710	1710	339	85%	75%	65%	50%		FAIL

Code	Category
A	Raw hide/skin to tanned
B	Raw hide/skin to crust
C	Raw hide/skin to finished leather
D	Tanned hide/skin to finished leather
E	Crust hide/skin to finished leather
F	Tanned hide/skin to crust leather
G	Raw to pickled/pre -tanned material

All leather manufacturer audit results are valid for 24 months if the audit is undertaken based on the leather manufacturer’s previous 24 month’s operations and 12 months validity for 12 months data. Leather manufacturer audit protocol consists of 16 scoring sections and one general information section. Each section is equally important to achieving MEDAL (Gold, Silver, Bronze & Audited). Leather manufacturer audit protocol consists of more than 300 questions including a few THRESHOLD questions for medal rating.

General facility details- in this section a leather manufacturer/tannery will give the details of the factory, e.g., name, address, contact number, factory areas, approved layout, website, etc.

Subcontracted operations- When a tannery has undertaken one or more operations at different site/tannery, an assessment of the sub-contracted operations will be required (If a leather manufacturer sends wet blue to be shaved by a subcontractor that only has shaving machines the subcontractor would be assessed using the subcontractor protocol). Subcontractor’s energy

consumption, water usage and VOC emissions value used in the Leather Manufacturer Audit.

If the range of operations undertaken at the subcontractor’s facility covers the range of operations that fall within an LWG audit category a full environmental audit will be required (If a leather manufacturer sends wet blue to be shaved by a subcontractor that processes from raw to tanned leather the subcontractor would be assessed using the leather manufacturer protocol).

Alternatively, fewer than 10 employees and an annual turnover (the amount of money taken in a particular period) or balance sheet (a statement of a company's assets and liabilities) below €2 million will be considered as Microenterprise (EU definition). For micro enterprise sub-contractor audit will be applicable.

Social audit- This section seeks to determine if the organization can demonstrate social responsibility through independent assessment. Audit reports or certifications from schemes that have been recognized by the LWG and have been undertaken and issued by an organization accredited for that scheme will be accepted for scoring.

The LWG currently recognizes the following social audits and certifications- amfori Business Social Compliance Initiative (BSCI), Higg Facility Social & Labor Module (FSLM), Initiative for Compliance and Sustainability (ICS), Responsible Business Alliance (RBA) – VAP, Responsible Supply Chain Initiative (RSCI), SA8000 Standard, Social Accountability International, Sedex Members Ethical Trade Audit (SMETA), Sustainable Leather Foundation, UNIC Code



WHAT ARE THE SUSTAINABLE DEVELOPMENT GOALS?

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated—they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability. Countries have committed to prioritize progress for those who're furthest behind. The SDGs are designed to end poverty, hunger, AIDS, and discrimination against women and girls. The creativity, knowhow, technology and financial resources from all of society is necessary to achieve the SDGs in every context.



of Conduct and Social Accountability, Worldwide Responsible Accredited Production (WRAP).

Operating permits- This section assesses the facility’s compliance with the applicable licenses and legislation. Violations, warnings or fines, and what corrective actions must be recorded, and the facility could fail the audit. General Operating Permit, Water Abstraction, Water Discharge direct to drainage (treatment by third party - CETP), Solid Waste Disposal, Boilers, Chemical Purchase/Storage (Acid license), Building Stability, Fire license, Factory license and other (if applicable) licenses.

Production data- This section assesses the risk and rating of the total production in the facility during the declared audit period (12/24 months) that is supplied as part-processed or raw material. For those starting from part-processed material, their supplier’s engagement with the LWG audit process will be assessed. Example- 100% Tanned material obtained from LWG Silver rated suppliers Subcontractors score will be $(100 \times 0.9 = 90)$. The production, energy usage and water consumption aspects of the audit are based on 24 months’ worth of production data (e.g., piece, weight, area, origin, type of hide/skin, final output, etc.).

For the award of Gold in this section 100% of part-processed material input must come from LWG audited sources (and if from traders, must be of LWG origin). Conditional 5% allowance if proof of purchase for trialing new suppliers (maximum of three purchases). Frequency (monthly) of waste stream (Cr liquor & Process liquor), Cr leather, effluent tests and Chrome free tannage helps to get more scores in this section.

Traceability (incoming & outgoing)- Incoming traceability assesses the ability of leather manufacturers to trace their incoming material back to the specific slaughterhouse or region of origin. It also provides a breakdown of country of origin and a description of the traceability system used. Outgoing traceability assesses the ability of leather manufacturers to trace their material through their manufacturing processes (drum load, recipe sheet or the origin of materials). Traceability by physical marking and paper both are accepted by auditor.

Environmental Management System (EMS)- This is a very important and mandatory section of environmental stewardship audit. Establishing environmental policy, procedures, identify objects and set targets by competent auditors are the key tasks to improve environmental sustainability. This section assesses mainly documents, effectiveness, and active systems for managing the environmental aspects of their business.

Restricted Substance Lists (RSL) Compliance, Hexavalent Chromium (CrVI)- RSL is used when managing restricted substances for the finished product. Tannery has to start testing for product compliance at the very beginning of LWG audit journey. This section assesses how the tannery/facility manages, understands, and enacts the Restricted Substance requirements and minimizes the risk of formation of CrVI. Facility has to segregate & count the lot/batch of drum load production and ensure the conformance of RSL for specific product lines as PASS.

Energy consumption & Water usage- Energy consumption (electricity, gas, diesel, wood, etc.) and water usage have to be identified, measured, calculated and updated from every source with evidence. This data will be used to calculate the score at these sections and have to start calculating from the beginning by the facility.

Air & Noise Emissions- Emission inventory with control devices is a mandatory part of LWG audit. Tannery/facility has to ensure all emission sources are well equipped with control devices and periodically tested by ISO accredited laboratory.

Waste management- Waste categorization, inventories, appropriate storage and safe disposal or recycling are the main jobs of waste management. This section consists of 5 threshold questions that are very crucial for medal and audit rating. Tannery has to start waste management from day one of their LWG audit preparation.

Effluent treatment- Tannery/facility must manage its liquid wastes, either at their own site (ETP) or at a third-party treatment plant (CETP). Discharge of the treated

wastewater must comply with DOE requirements will be eligible to score in this section. Functional ETP/ CETP is mandatory by legal law and for LWG audit.

H&S, Emergency Plans- This is the most critical section. There are 12 threshold questions for medal rating. Risk assessment, ensuring occupational health and safety, training, and learning, and establishing a safe working environment are the key areas of this section. Tannery/facility must ensure a safe and secure working environment to score this section.

Chemical Management- The purpose of this section is to assess awareness, understanding and management of chemicals used within the leather manufacturing process. Chemicals & Supplier selection, safe use of chemicals by confirming ZDHC MRSL are most important in this section.

Operations Management- Process control, reviewing best practices, measuring equipment use and calibration, etc. are the key areas to focus on in this section. Tannery/facility have to establish sustainable manufacturing processes, a good housekeeping system, environment-friendly chemical usages and customer handling management.

It has been seven years since tanneries from Dhaka's Hazaribagh started to shift to Savar Tannery Industrial Estate. The leather industry ranked second in terms of export earnings after RMG, lack of Leather Working Group (LWG) certification cannot export leather and leather goods to brands. Limitation of CETP and solid Waste management is the main barrier but not only barrier to achieving the certification. There are so many requirements in 17 sections of LWG latest audit protocol, the Tannery has to fulfill through implementation at its facility and provide 24 months of valid data/information as audit evidence for scoring. So, tannery must internally develop its own policy, procedure and continue the work as per audit guidelines and be prepared for the LWG audit.

About Author

Mr. Firoz Alam Talukder, has gained as a seasoned ESG practitioner of Leather and Footwear industries with both academic and professional track records. He is also certified auditor and practitioner for LWG internal auditing and preparation, SLCP, SEDEX, ISO14001, CMM, CrVI, H2S assessment, ZDHC (RSL/MRSL) and more sustainability performance indicators for the industry. He is also member of LWG Tannery of the Future Group and Traceability Working Group.



Leather and Footwear in India



To find out more : www.investindia.gov.in/sector/leather

SECTOR HIGHLIGHTS

- **USD 20.5 Bn**
Size of domestic leather and footwear market in India in 2021
- During 2022-23, exports of footwear, leather and leather products from India reached **USD 6.01 Bn**
- About **3 Bn** square feet of leather is available in India annually
- India accounts for **13%** of global production of hides/skins
- Major markets for Indian Footwear products include US, UK, Germany, France & Italy. Major markets for Indian Leather products include US, UK, Germany, France & Netherlands.
- India is the **2nd** largest producer and consumer of footwear and **2nd** largest producer of leather garments
- India is the **2nd** largest exporter of leather garments, **2nd** largest exporter of Saddlery & Harnesses
- Ready availability of raw material - India is home to **21%** of the world's cattle and buffalo population, as well as **11%** of the world's goat and sheep population

GROWTH DRIVERS

1. Youth power:

With 55% of the workforce below the age of 35, the Indian leather industry has one of the youngest and most productive workforces

2. Institutional support

World-class institutional support for Design & Product Development, Human Resource Development and R&D

3. High growth potential for exports:

India has trade agreements with Japan, Korea, ASEAN, Chile, etc. and is negotiating Free Trade Agreements with other major economies

4. Rising domestic consumption:

Household consumption grew significantly to INR 130-140 Tn in 2021 leading to rise in footwear consumption per capita



GOVERNMENT INITIATIVES/POLICIES

- FDI in Leather products manufacturing - 100% through automatic route
- The Leather industry in India is delicensed, facilitating expansion on modern lines with state-of-the-art machinery and equipment
- Indian Footwear and Leather Development Programme (IFLDP) 2021-26
 - The scheme focuses on integrated development for the leather and footwear sector with a total expenditure of Rs 1,700 crores.
 - The scheme aims at development of infrastructure for the leather sector, address environmental concerns specific to the leather sector, facilitate additional investments, employment generation and increase in production.
- BIS Quality Control Orders implemented on 1st Jul 2023
 - The QCOs are expected to ensure better quality & larger production which will eventually lead to good quality products for consumers
 - Applicable on cos. with revenue > Rs. 50 cr. from 1st Jul 2023, on cos. with revenue > Rs. 5 cr. but less than Rs. 50 cr. from 1st Jan 2024 and smaller companies 6 months henceforth.
- The following QCOs were released
 - Footwear made from all Rubber and all Polymeric material and its components (Quality Control) 2022
 - Footwear made from Leather and other materials (Quality Control) Order 2022
 - Personal Protective Equipment-Footwear (Quality Control) order 2021

HOW WE HELP INVESTORS



RESEARCH CONTENT PROVIDED



POLICY ADVISORY/ REPRESENTATION



STAKEHOLDER MEETING



SITE VISITS



LOCATION ANALYSIS



ISSUE RESOLUTION



REGULATORY CLEARANCE FACILITATION

KEY PLAYERS IN INDIA





NAVIGATING FOOTWEAR FACTORY SETUP IN BANGLADESH: A TECHNICAL PRIMER FOR INVESTORS

Engr. A.Fattah Asif

Embarking on the establishment of a footwear factory in Bangladesh requires a keen understanding of essential guidelines. In this article, we aim to concisely outline key technical considerations crucial for investors before commencing construction.

Basic Study and Planning:

Prior to project commencement, it's imperative to formulate a master plan aligned with the business strategy. This involves selecting products based on market demand analysis, determining production capacity, and optimizing technology for cost competitiveness and product quality. Crafting a comprehensive machine and equipment list tailored to meet production targets is equally crucial.

Furthermore, mandatory steps include preparing a Technical and Financial Feasibility Study Report. This report provides a detailed breakdown of project costs, encompassing land, civil construction, machinery, furniture,

vehicles, legal expenses, and documentation. It delves into cost-profit analysis, financial scenarios, targeted markets, workforce and utility requirements, working capital budgeting, and a bankable project profile—essential for securing loans or joint ventures. A digital topographic land survey and subsoil investigation (soil test) are indispensable, offering critical data for the selected site's suitability. These engineering prerequisites lay the groundwork for a successful and well-informed footwear manufacturing endeavor.

Site Selection: Selecting an optimal site for a footwear factory in Bangladesh is a pivotal decision with far-reaching implications. While 99% of projects mainly require electricity only (No Gas), it is advisable to situate near a 33 KV line for a consistent, high-voltage power supply, minimizing the risk of load-shedding. The mandatory 11 KV line is essential for medium and large projects.

Footwear projects are widespread across Bangladesh, with notable establishments like MAF in Chattogram, Bling Leather in Rangpur, Fortune in Barishal, Golden Akij Shoes in Jessore and Bengal in Noakhali. Although Dhaka and Chattogram City host the majority, Kumilla also boasts a few footwear projects. Ideal sites are elevated, flood-safe highlands situated in densely populated areas, near high-voltage power sources, Economic Zones, EPZs, industrial parks, shoe cities, or other industrial zones. Soil quality profoundly influences construction costs; for instance, the poor soil quality in Hobigonj Sylhet necessitates costly piling foundations.

Transportation and logistics play a crucial role; proximity to roads, highways, and ports or airports such as Chattogram/Mongla eases the transportation of raw materials and finished products. The availability and skill level of the workforce are vital considerations. The labor-intensive nature of the footwear industry underscores the importance of assessing skilled and unskilled labor availability, local wage levels, and potential workforce growth. Telecommunications and internet connectivity should be readily available, and adherence to local, regional, and national industrial regulations is non-negotiable. Investigating potential issues related to forest land, protected swamp areas, environmental concerns, or conservation zones is essential.

Planning for future expansion is strategic; assessing additional land availability and scalability considerations ensures the ability to accommodate the footwear factory's growth. Investors should also explore potential government incentives or tax breaks offered by local authorities for industrial operations, such as those in economic zones and EPZs.

Master Planning; Ensuring Efficient Factory Design:

In the master plan, careful consideration of the main factory building's shape (recommended as a rectangular structure, e.g., 150 feet * 300 feet) and orientation (preferably south-facing for proper ventilation) is crucial. The length of the lasting and sewing lines, at 80 meters and 30 meters respectively, significantly impact production efficiency. Factors such as the cost of civil construction, building height, and the type of building (prefabricated steel structure or RCC, with a preference for prefab steel structures for single or two-story buildings due to cost-effectiveness and space savings, while above two-story

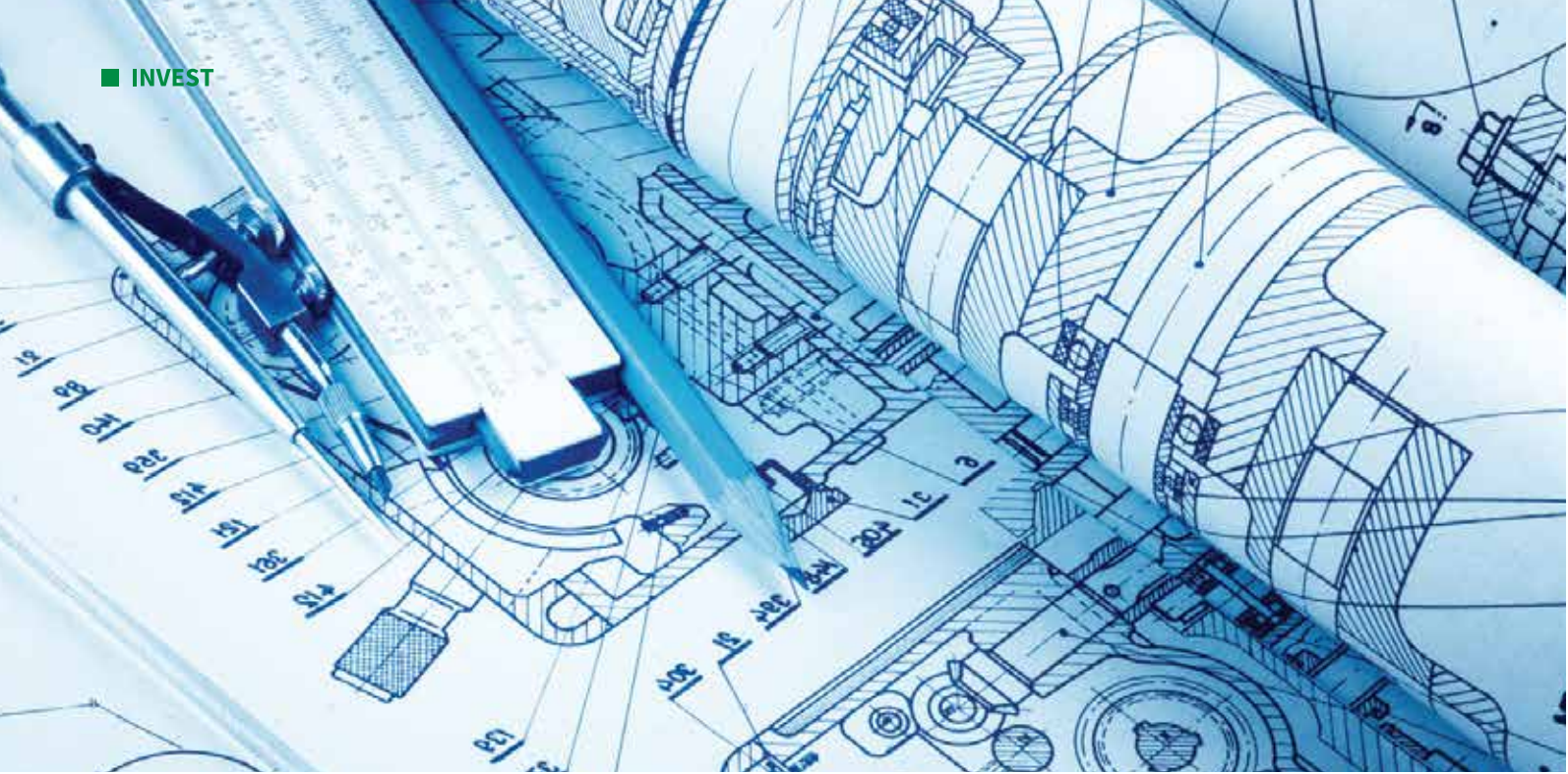
RCC buildings are preferred for cost and fire considerations) should be carefully assessed.

Proper allocation of space, including a designated area for raw material storage in line with maximum production targets, a large finished goods warehouse for one month's storage before shipment, and a separate store for chemicals like adhesive at a distance of 20 feet from all buildings, is essential. Adequate toilet facilities, easy aisle access from workstations, and a comprehensive fire evacuation plan, including proper fire doors, are imperative. Adherence to BNBC guidelines for Fire Detection and Protection systems, fire hydrants, and sprinkler systems (above 23-meter floor height) is essential. Considerations for firefighting equipment and pump house placement, assembly areas, drainage facilities, and gate and security post positioning are key aspects. Separate sections or buildings for the outsole or printing sections may be preferred in some cases to mitigate dust and odor concerns. The provision of road access around the factory is crucial, particularly for fire rescue vehicle movement. Ensuring the building's plinth level is above local flood levels and the road is designed to avoid flooding during rain or other natural calamities is essential.

The master plan should incorporate considerations for future expansion and green building concepts, allowing for potential LEED certification from USGBC during or after construction. All architectural, structural, and MEP drawing designs should align with BNBC 2020 to meet compliance standards for audits from organizations like Nirapon, BSCI, Sedex, and others.

Efficient machinery selection and layout preparation, emphasizing Lean Manufacturing technology, Flexible Manufacturing Systems (FMS), proper space utilization, smooth production and material flow, linear process flow, and energy efficiency to reduce utility consumption, are critical. Machinery technology and costs should align with the targeted product category, buyer, and per-unit product cost. Considerations for depreciation value, maintenance costs, multifunctionality, and capital investment should be factored into machine selection, with a focus on energy-efficient and automatic machinery. Prioritizing the use of Multi-head CNC cutting machines, Automatic pattern sewing, and multifunctional machines contributes to overall production efficiency.





The masterplan for the footwear factory should be crafted to ensure the smooth acquisition of licenses, including Trade License, RJSC Business Registration, DIFE Factory Establishment Approval, Environmental Clearance, Fire License, VAT Registration, and Import/Export Registration Certificates (IRC and ERC), as well as Bonded Warehouse License, without encountering objections.

MEP Design Consideration: In MEP design, careful considerations are essential for optimal factory functionality: Substation capacity selection should align with the maximum connected load of project machinery, with an eye on future expansion when determining transformer size. The electrical distribution system must be both cost-effective and fully compliant with BNBC 2020. A balanced approach can be achieved through the use of BBT for main power and cabling for machine connections, ensuring a harmonious blend of cost-effectiveness and technical excellence. Incorporating a Power Factor Improvement (PFI) unit is mandatory, covering 60% of the total connected load or the transformer's size. To counter load shedding, a diesel-powered backup generator is essential. Integrating solar panels on factory and utility building rooftops promotes clean and sustainable energy at a reduced cost. On-grid and off-grid solar panel systems can be tailored to the factory's demand, supporting emergency lighting, security surveillance equipment, and special equipment like internet and PCs.

The heart of the footwear factory's HVAC system lies in ventilation, crucial for worker comfort. A combination of natural and forced ventilation, facilitated by exhaust fans, proves effective for regular air circulation. An optimal solution involves louvers and windows on the south side, complemented by exhaust fans on the north side. Sizing and numbering of exhaust fans and windows should align with the building's volume and targeted air change rate. Ample natural light provision, achieved through adequately placed windows and semi-transparent roof sheets (not exceeding 5% of the total roof area), further enhances the working environment.

While steam boilers are generally unnecessary in most factories, air compressors are indispensable for certain footwear machinery. Ensuring proper alignment and installation of air compressor line piping with other utility supplies and fittings is imperative. Addressing safety concerns, the installation of a Lightning Protection System (LPS) and a proper Earthing system in accordance with BNBC 2020 guidelines is essential. Sustainable practices like rainwater harvesting and small Sewage Treatment Plants (STPs) can be integrated to reduce utility consumption and promote environmentally conscious waste management practices.

Finally, the key to establishing a successful footwear manufacturing project lies in meticulous consideration of the outlined factors. It is imperative to craft an effective business plan, conduct a thorough market study, and undertake technical and financial analyses. Master planning for each phase, including investment and implementation plans, is vital. The assembly of a competent team is equally crucial for executing the plan timely, necessitating seamless coordination with consultants and vendors. The incorporation of robust research and development and marketing plans from the project's inception ensures sustained growth. Implementing these tasks with precision and adherence to a well-structured plan not only streamlines the process but also results in significant savings of both money and time.

About Author

Engr. A. Fattah Asif, an AIUB B.Sc EEE graduate, worked in M&J group and 5 projects at Bay Group, now serves as Engineering Division Manager at WASO Engineers & Consultants BD Ltd for 8 years. Specializing in new factory setups, masterplans, machine layout and MEP designs, already contributed to 110+ industrial projects, including 33 export-oriented footwear and leather goods projects.

ALL ABOUT BIS-ISI CERTIFICATION OF LEATHER AND FOOTWEAR EXPORT TO INDIA

Desk Report

For export to India, manufacturers need BIS certification (ISI) under Foreign Manufacturers Certification Scheme (FMCS), or BIS registration (CRS) for certain products. The BIS Certification is obligatory for these products, so that they can be introduced and sold on the Indian market. BIS Certification India or BIS Registration issued by the Bureau of Indian Standards (BIS) ensure the quality, safety and reliability of products in accordance with Indian Standards (IS). This article will describe all about this certification.

What is BIS-ISI Certification?

A BIS certificate is more of a legal permit that enables importers and producers of deficient goods to import or manufacture footwear that's either made of leather or any other material. The BIS-certified licence includes a specific set of compliances that includes certain warnings and parameters on:

- Leather shoes
- Safety boots
- Anti-riot shoes, etc.

One of the primary agendas of BIS is to ensure certain Quality Control Orders (QCO) within the compliances for footwear, made of:

- Leather and other materials
- Rubber and polymeric substances
- Shoes categorised under personal security apparatus

All these categories of shoe and footwear types are covered within BIS for footwear regulations under QCO 2020. The main role of QCO is to ensure that the footwear quality does not differ from the boot quality for the purpose it has been produced.

It is included within the major compliances under BIS certificate to determine that all the compound and leather footwear are manufactured by following the Indian benchmark standard mentioned within the Quality Control Order, 2020.

Why need BIS-ISI?

BIS certification gives a third-party assurance to consumers about quality, safety and reliability of the products. It also offers the ISI mark on goods through which a product meets the Indian standards set by Bureau of Indian Standards. BIS provides BIS certificate to manufacturers with unique License Number. Without standard certificate with unique license number obtained from BIS, manufacturers are not allowed to sell or distribute their products in India which are mentioned under mandatory product list for BIS License. Foreign manufacturers who export their product to India

without BIS certification may have to take back their goods from custom point.

Who will need to get the BIS-ISI?

Manufacturer / Factory where product is being manufactured will need to get the BIS-ISI Certification before importing or selling the products in Indian market, if product is listed in the mandatory list. It is applicable for Indian manufacturer as well for foreign manufacturer.

BIS CERTIFICATION FOR EXPORT TO INDIA

There are three main types of certifications:

BIS-Certification (ISI), Includes Factory Inspection (Scheme I, ISI Mark Scheme)

The Foreign Manufacturers Certification Department (FMCD) issues the BIS ISI certification for foreign manufacturers. Since 2000 this authority has been responsible for the BIS certificate under the umbrella of BIS. Rules and regulations under which ISI certification is granted are set out in the Foreign Manufacturers Certification Scheme (FMCS).

All products that comply with the FMCS regulations are marked with the ISI logo, also known as the "BIS Standard Mark" or "ISI Mark" in accordance with ISI Mark Scheme I.

BIS-Registration (CRS) Without Factory Inspection (Scheme II)

The BIS registration under CRS (Compulsory Registration Scheme) was introduced in 2012 for 15 product categories. Since then, new products have been added in phases. Based on the regulations published by the Ministry of Electronics and Information Technology (MEITY), foreign products for the Indian market can also obtain BIS registration.

The BIS-CRS registration mainly covers products in the IT, electronics and lighting categories, however the list of products subject to registration is constantly being expanded. This makes BIS-CRS registration one of the most important and common registrations in India.

BIS-Certification with Factory Inspection (Scheme X)

Under the "Scheme X", introduced on March 16th, 2022, various products related to low voltage switchgear and control gear are covered. The mandatory certification requirements will be implemented in a phased manner, ensuring a systematic and organized rollout until May 2027. These affected product categories were formerly covered under BIS-ISI, but have now been categorized under BIS Scheme X. Nonetheless, the requirements are identical to BIS-ISI.

INSIGHT

List of Mandatory products

BIS Certification for Rubber and Polymeric Material Footwear:

In the order 'Footwear made from all-Rubber and all-Polymeric material and its components (Quality Control Order, 2022),' are embedded products such as rubber microcellular sheets, PVC sandals, all rubber gumboots and ankle boots, industrial and protective rubber knee and ankle boots, rubber slippers, rubber Hawai chappals, and PVC industrial boots.

As part of this certification order, all rubber and polymeric materials used in footwear will be subjected to quality control standards. Footwear made from all rubber and all polymeric materials (Quality Control) Order, 2020 lists different types of footwear, their standards, and the name of the standard.

SL No.	Name of Footwear	Indian Standard	Title of Indian Standard
01	Industrial and protective rubber knee and ankle boots	IS 5557: 2004	Industrial and protective rubber knee and ankle boots – Specification
02	All rubber gum boots and ankle boots	IS 5557 (Part 2): 2018	All rubber gum boots and ankle boots: Part 2 occupational purposes
03	Moulded solid rubber soles and heels	IS 5676: 1995	Moulded solid rubber soles and heels- Specification
04	Rubber microcellular sheets for soles and heels	IS 6664: 1992	Rubber microcellular sheets for soles and heels- Specification
05	Solid PVC soles and heels	IS 6664: 1992	Rubber microcellular sheets for soles and heels- Specification
06	Solid PVC soles and heels	IS 6719: 1972	Specification for solid PVC soles and heels
07	PVC sandal	IS 6721: 1972	Specification for PVC sandal
08	Rubber Hawai Chappal	IS 10702: 1992	Rubber HawaiChappal- Specification
09	Slipper, rubber	IS 11544: 1986	Specification for slipper, rubber
10	Polyvinyl chloride (PVC) industrial boots	IS 12254: 2021	Polyurethane sole, semirigid- Specification
11	Polyurethane sole, semirigid	IS 13893: 1994	Polyurethane sole, semirigid- Specification
12	Unlined moulded rubber boots	IS 13995: 1995	Unlined moulded rubber boots – Specification
13	Moulded plastic, footwear-Lined, Unlined Polyurethane, boots for general industrial use	IS 16645: 2018	Moulded plastics footwear- Lined or Unlined polyurethane boots for general industrial use- Specification
14	Footwear for men and women for municipal scavenging work	IS 16994: 2018	Footwear for men and women for municipal scavenging work

BIS Certification for Leather Footwear and Other Footwear Compounds:

"Footwear made from leather and other materials (Quality Control) Order, 2020" covers boots, safety shoes, canvas boots with rubber soles, canvas shoes with rubber sole, sports footwear, Derby shoes, and anti-riot shoes. In the table below, you will find a description of the types of footwear, their standards, and name of the standard referred to in the order.

SL No.	Name of Footwear	Indian Standard	Title of Indian Standard
01	Leather safety boots and shoes	IS 1989 (Part 1): 1986	Specification for leather safety boots and shoes Part 1 for miners Specification for leather safety boots and shoes Part 2 for heavy metal industries
02	Canvas Shoes Rubber Sole	IS 3735: 1996	Canvas Shoes, Rubber Sole- Specification
03	Canvas Boots Rubber Sole	IS 3736: 1995	Canvas Boots, Rubber Sole- Specification
04	Safety Rubber Canvas Boots for Miners	IS 3736: 1995	Safety Rubber Canvas Boots for Miners- Specification
05	Leather safety footwear having direct moulded rubber sole	IS 11226: 1993	Leather safety footwear having direct moulded rubber sole-Specification
06	Leather safety footwear with direct moulded polyvinyl chloride (PVC) sole	IS 14544: 1998	Leather safety footwear with direct moulded polyvinyl chloride (PVC) sole – Specification
07	Sports footwear	IS 15844: 2010	Sports Footwear- Specification
08	High ankle tactical boots with PU – Rubber sole	IS 17012: 2018	High ankle tactical boots with PU – Rubber Sole – Specification
09	Antiriot shoes	IS 17037: 2018	Antiriot shoes – Specification
10	Derby shoes	IS 17043: 2018	Derby shoes – Specification

BIS Certification for PPE Footwear:

There is an Order for the Quality Control of Personal Protective Equipment Footwear, 2020, which covers personal protective equipment footwear.

SL No.	Name of Footwear	Indian Standard	Title of Indian Standard
01	Personal Protective Equipment – Footwear	IS 15298 (Part 2): 2016 IS 15298 (Part 3) : 2019 IS 15298 (Part 4) :2017	Personal protective equipment – Part 2 Safety Footwear Personal protective equipment – Part 3 Protective Footwear Personal protective equipment – Part 4 Occupational Footwear

Validity of BIS Certification

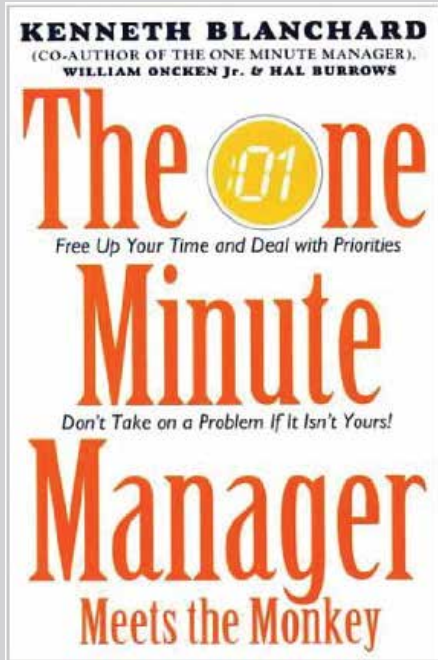
BIS certificates are valid between 1-2 years. During this time period additional tests may also be required to maintain the validity of the BIS certificate. The intervals at which the tests are required depend on the testing standards for the product type. Besides, BIS can randomly request manufacturers to submit their latest test reports to demonstrate compliance. Any change to the product or manufacturing process will require retesting to maintain the certificate validity.

Changes Requiring Notification Include the Following:

- Product design change
- Change to the product structure (for example adding another layer of material to the housing)
- Changes to a core component or “Key Components” (for example any electrical component)
- Raw material change
- Change of raw material suppliers

Source:

1. <https://arkcacorporate.com/how-bis-compliances-matter-for-importers-manufacturers-while-importing-footwear-few-facts-revealed/>
2. <https://www.certification-india.com/en/bis/what-is-bis/>



“The One Minute Manager” by Kenneth Blanchard (a business consultant and a motivational speaker) and Spencer Johnson (an author and physician) is a short allegorical story about the secrets of effective management. The authors themselves call it “a simple compilation” of wisdom – the wisdom they learned from their studies in medicine and from behavioral sciences. In very simple terms, they teach us what it means to be a good manager, and emphasize it doesn’t have to be too hard.

Generally, there are two distinct categories when it comes to managers. The first group only seems to care about the company, and getting definitive and measurable results. They treat staff as just another resource to get the job done, and don't consider employee well-being. Then there's the second group that only cares about people. This easy going type of management style may seem like the right approach, but managers who focus too much on their popularity and likeability, are often preoccupied with getting their employees to like them, and while they may be happy at work, they often struggle to hold employees accountable for poor performance. This management style isn't only bad for the company; it also deprives employees of the opportunity to learn and grow. Most effective managers' fall somewhere in between these two extremes.

THE ONE MINUTE MANAGER

KENNETH H. BLANCHARD
SPENCER JOHNSON

Mizanur Rahman

“

For more than twenty years, millions of managers in Fortune 500 companies and small businesses nationwide have followed The One Minute Manager's techniques, thus increasing their productivity, job satisfaction, and personal prosperity. These very real results were achieved through learning the management techniques that spell profitability for the organization and its employees.

”

The First Secret: One Minute Goals

Each person in their organization had to write their goals down, together with their performance standards. For each goal and its standards, there shouldn't be more than 250 words written. Typically, every person had 5-6 goals in his or her area of responsibility. Everyone was supposed to read and reread their goals every once in a while.

The Second Secret: One Minute Praisings

Usually managers try to catch people doing something wrong. The One Minute Manager took the opposite approach – he was catching people doing something right. And right after he saw a person doing something right, he would immediately tell him or her what exactly it was. This way, a person didn't have to wait the whole year to hear appraisals.

The Third Secret: One Minute Reprimands

As soon as the One Minute Manager would learn about someone's mistake, he would come to that person and let him or her know about it. He would express anger, frustration, or any other negative emotion – but that emotion was always directed at the action that person had done. It was not about blaming the person themselves.

Be with Footwear Exchange

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